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United States General Accounting Office
Washington, DC 20548

May 23, 2002

The Honorable Henry A. Waxman
Ranking Minority Member
Committee on Government Reform
House of Representatives

Subject: *Medicare: Utilization of Home Health Care by State*

Dear Mr. Waxman:

This letter responds to your request for information on the variation in Medicare home health use across states. Using home health claims for the first 6 months of 2001 from the Centers for Medicare and Medicaid Services (CMS), we compiled statistics on home health users, home health visits, home health episodes, and the percentage of home health users with multiple episodes for each state. This information is included in enclosure I. A home health episode, the basis for Medicare payment under the prospective payment system, is up to a 60-day period of care during which any number of visits may be provided. We performed our work in May of 2002, in accordance with generally accepted government auditing standards. (See enclosure II for a description of our scope and methodology.)

As arranged with your office, unless you release its contents earlier, we plan no further distribution of this letter until 30 days after its issuance date. At that time, we will send copies to interested parties. This letter will also be available at no charge on GAO's home page at <http://www.gao.gov>. If you or your staff have any questions regarding this letter, please contact me at (202) 512-7119 or James E. Mathews at (202) 512-9427.

Sincerely yours,

Laura A. Dummit
Director, Health Care – Medicare Payment Issues

Enclosures – 2

Medicare Home Health Utilization, January-June 2001Table 1: Medicare Home Health Users, by State

State	Users per 1,000 beneficiaries^{a,b}	Visits per user^a	Visits per episode
Alabama	39	30	20.15
Alaska	20	17	13.98
Arizona	22	18	15.02
Arkansas	35	28	19.02
California	38	22	16.67
Colorado	33	23	17.87
Connecticut	46	29	22.25
Delaware	34	24	18.98
District of Columbia	30	23	18.70
Florida	44	26	20.27
Georgia	34	28	19.84
Hawaii	16	17	14.48
Idaho	30	21	16.21
Illinois	38	21	15.95
Indiana	28	24	18.22
Iowa	24	21	16.98
Kansas	25	23	17.87
Kentucky	40	30	19.65
Louisiana	61	42	23.06
Maine	45	25	18.28
Maryland	32	19	15.64
Massachusetts	57	28	20.02
Michigan	45	23	17.83
Minnesota	17	19	15.86
Mississippi	51	33	20.36
Missouri	40	22	16.15
Montana	29	22	16.58
Nebraska	27	20	15.67
Nevada	27	23	17.91
New Hampshire	43	25	18.61
New Jersey	38	22	17.67
New Mexico	30	23	16.41
New York	37	27	21.09
North Carolina	38	22	16.04
North Dakota	30	20	16.17
Ohio	33	22	17.24
Oklahoma	47	37	22.73
Oregon	30	16	12.02
Pennsylvania	48	21	16.10
Rhode Island	56	22	16.99
South Carolina	37	22	16.16
South Dakota	23	18	14.02
Tennessee	43	31	20.81
Texas	39	34	22.51

State	Users per 1,000 beneficiaries^{a,b}	Visits per user^a	Visits per episode
Utah	34	39	28.44
Vermont	57	25	17.08
Virginia	34	24	17.47
Washington	27	16	13.09
West Virginia	29	22	15.46
Wisconsin	23	21	16.14
Wyoming	25	24	18.77
Nationwide	38	25	18.65

^aFigures reflect home health use during the first 6 months of 2001. They cannot be doubled to estimate home health use for the entire year. Doubling the 6-month figures would overestimate the number of users and visits.

^bFigures reflect users per 1,000 Medicare fee-for-service (FFS) beneficiaries. We use only Medicare FFS enrollees because CMS data on service use exclude those enrolled in managed care plans and because episode payments only apply to those receiving home health care under fee-for-service.

Source: GAO analysis of CMS' home health claims (January-June 2001).

Table 2: Percentage of Medicare Home Health Users with Multiple Episodes, by State

State	Home health users with only 1 episode	Home health users with 2 or more episodes
Alabama	53	47
Alaska	75	25
Arizona	75	25
Arkansas	56	44
California	67	33
Colorado	69	31
Connecticut	64	36
Delaware	72	28
District of Columbia	75	25
Florida	71	29
Georgia	59	41
Hawaii	76	24
Idaho	68	32
Illinois	66	34
Indiana	66	34
Iowa	72	28
Kansas	68	32
Kentucky	53	47
Louisiana	34	66
Maine	61	39
Maryland	76	24
Massachusetts	56	44
Michigan	68	32
Minnesota	76	24
Mississippi	44	56
Missouri	65	35
Montana	66	34
Nebraska	69	31
Nevada	71	29
New Hampshire	61	39
New Jersey	69	31
New Mexico	61	39
New York	69	31
North Carolina	63	37
North Dakota	72	28
Ohio	68	32
Oklahoma	45	55
Oregon	69	31
Pennsylvania	67	33
Rhode Island	66	34
South Carolina	62	38
South Dakota	72	28
Tennessee	52	48
Texas	52	48
Utah	62	38
Vermont	46	54

State	Home health users with only 1 episode	Home health users with 2 or more episodes
Virginia	64	36
Washington	72	28
West Virginia	60	40
Wisconsin	70	30
Wyoming	69	31
Nationwide	63	37

Note: Home health users include all FFS beneficiaries who had an episode ending during the first 3 months of 2001. Those with two or more episodes had at least one additional episode during the first 6 months of 2001.

Source: GAO analysis of CMS' home health claims (January-June 2001).

Scope and Methodology

We used data from Medicare provider, claims, and beneficiary files for calendar year 2001. We examined data on Medicare fee for service beneficiaries only. To count the number of home health users, the average number of visits per user, the number of episodes, and the average number of visits per episode, we selected Medicare claims for all episodes ending on January 1, 2001 through June 30, 2001 from the home health Standard Analytic File for 2001 that were available as of January 24, 2002. We included as episodes those periods of care that comprised four or fewer visits, for which the home health agency received a low utilization payment adjustment. To calculate the share of home health users with multiple episodes, we used claims data to identify all beneficiaries who had an episode that ended in the first 3 months of the year and then determined whether they received any additional episodes of care during the first 6 months of 2001. Our file of 1.76 million episodes does not include any claims for the first 6 months of 2001 submitted after January 24, 2002.

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